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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

A Rule 12(b)(6) motion tests only the legal sufficiency of the complaint, and not the weight of the evidence supporting it. Defendants Fortune Dynamic and Carol Lee's (collectively "Defendants") Rule 12(b)(6) Motion to Dismiss Plaintiff Deckers Outdoor Corporation's ("Deckers") Complaint is nothing more than a motion for summary judgment in disguise, and a poor one at that. Not only do Defendants attempt to introduce a hose of facts for this Court to consider at the pleading stage, they ask this Court to weigh said facts against those alleged by Deckers (which are to be deemed as true in evaluating the present motion). As will be discussed in detail, Defendants' Motion is both procedurally and substantially devoid of merit.

Contrary to Defendants' assertions, the Bailey Button Boot Trade Dress is defined with particularity and further illustrated by images of boots embodying same. Furthermore, Deckers has pled facts beyond conclusory statements in support of its allegations that said trade dress is distinctive, non-functional, and has acquired secondary meaning. Whether or not the Bailey Button Boot Trade Dress actually has acquired secondary meaning, is generic, or is non-functional are issues of fact not properly decided on a motion to dismiss.

Deckers also adequately alleges willful infringement of its D599,999 Patent by Defendants. Defendants' attempt to invalidate said design patent on functionality grounds on a motion to dismiss is entirely improper where invalidity is an affirmative defense and it is Defendants that bear the burden of showing that the design patent is functional - Plaintiff need not plead that its design patent is non-functional because this is presumed by virtue of its registration. Furthermore, Deckers has adequately pled willful infringement arising from Defendants' pre-suit knowledge and intent to copy Deckers' Bailey Button style of boots. Again, willfulness is an issue of fact that is also to be determined after weighing the evidence, and not on a motion to dismiss.

Defendants’ argument that the California state law claims are preempted by the federal claims is equally misguided. At the outset, Defendants entire argument regarding preemption relies solely on cases discussing preemption of claims brought under the UCL by the Patent Act. However, Defendants disregard the fact that Deckers’ unfair competition claims are not based solely on an infringement of the patent, but *additionally* on Defendants’ intent to trade off of the goodwill established by Deckers in its Bailey Button styles and to pass their goods off as if they were associated, affiliated, and/or originate from Deckers UGG® brand. Furthermore, even if the Patent Act did in fact preempt the state law unfair competition claims arising from the patent infringement, which it does not, Defendants’ Motion is devoid of any discussions regarding how the Lanham Act would in any way preempt the state law claims. Indeed, they do not - state law claims are not preempted where, as here, it affords *more* protection to trademark owners than afforded under federal trademark law.

Finally, Deckers has adequately pled individual liability of Defendant Carol Lee where it has alleged that Ms. Lee is an “officer, member, director, and/or managing agent” of Fortune Dynamic, Inc. and was the “active, moving, conscious force” behind the alleged infringing activities. The precise nature of Ms. Lee’s involvement is a discoverable fact, and her liability should not be determined at this early stage.

II. STANDARD OF REVIEW ON MOTION TO DISMISS

To survive a Rule 12(b)(6) dismissal motion, a complaint need only satisfy the minimal notice pleading requirements of Rule 8(a)(2)—a short and plain statement of the claim. [*Porter v. Jones*, 319 F.3d 483, 494 (9th Cir. 2003)] Thus, the Ninth Circuit recognizes “a powerful presumption against rejecting pleadings for failure to state a claim.” [*Gilligan v. Jam co Development Corp.*, 108 F.3d 246, 248-49 (9th Cir., 1997) (citing *Hall v. City of Santa Barbara*, 833 F.2d 1270, 1274 (9th Cir., 1986) (“It is axiomatic that ‘[t]he motion to dismiss for failure to state a claim is viewed with disfavor and is rarely granted.’”)] “A complaint should not be dismissed unless it

1 appears beyond doubt the plaintiff can prove no set of facts in support of his claim that
 2 would entitle him to relief.” [Clegg v. Cult Awareness Network, 18 F.3d 752, 754 (9th
 3 Cir. 1994)]

4 In resolving a Rule 12(b)(6) motion, “[t]he Court must accept as true all non-
 5 conclusory, factual allegations made in the complaint,” and “based upon these
 6 allegations...draw all reasonable inferences in favor of the plaintiff.” [Dita, Inc. v.
 7 Mendez, 2010 U.S. Dist. LEXIS 135856, 3 (C.D. Cal. Dec. 14, 2010) (internal citation
 8 omitted)] “In evaluating a complaint, only its legal sufficiency, and not the weight of
 9 the evidence supporting it, may be considered.” [Minegar Envtl. Sys. v. Concrete
 10 Washout Sys., 2007 U.S. Dist. LEXIS 101959, 9 (C.D. Cal. Apr. 24, 2007) (citing
 11 Navarro v. Block, 250 F.3d 729, 732 (9th Cir. 2001)] Accordingly, the court does not
 12 look to whether the plaintiff will prevail, but to “whether the claimant is entitled to
 13 offer evidence to support the claims.” [Dita, 2010 U.S. Dist. LEXIS 135856 at 14]

14 **III. DECKERS’ TRADE DRESS INFRINGEMENT CLAIMS ARE** 15 **ADEQUATELY PLED**

16 The Lanham Act, 15 U.S.C. § 1125(1), establishes a cause of action for trade
 17 dress infringement. “Trade dress” refers to the design or packaging of a product which
 18 serves to identify the product’s source. [TraFFix Devices, Inc. v. Marketing Displays,
 19 Inc., 532 U.S. 23, 28 (2001)] In trade dress claims, the total image or overall
 20 impression of the plaintiff’s product, in its composite, is compared with the total image
 21 of impression of defendant’s product in determining likelihood of confusion. [J.
 22 THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 8:1
 23 (4th ed. 2006)] The purpose of trade dress protection, like trademark protection, is to
 24 “secure the owner of the [trade dress] the goodwill of his business and to protect the
 25 ability of consumers to distinguish among competing products.” [Two Pesos, Inc. v.
 26 Taco Cabana, Inc., 505 U.S. 763, 774 (1992)]

1 **A. Deckers Has Sufficiently Pled the Claimed Trade Dress**

2 In the Ninth Circuit, trade dress “involves “the ‘total image of a product and
3 may include features such as size, shape, color, color combinations, texture, graphics,
4 or even particular sales techniques.’” [*Mattel, Inc. v. Walking Mountain Prods.*, 353
5 F.3d 792, 808 n. 13 (9th Cir. 2003) (quoting *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505
6 U.S. 763, 765 n. 1 (1992))]

7 Defendants’ statement that the Bailey Button Boot Trade Dress is described as
8 nothing more than “Classic suede boot styling made famous by the UGG® brand” is
9 an inaccurate and misleading representation of the pleadings. (see Defendants’
10 Memorandum of Points and Authorities, p. 5, lines 14-17) Paragraph 21 of the
11 Complaint, wherein Deckers’ Bailey Button Boot Trade Dress is described, reads more
12 accurately as follows:

13 consisting of a combination of the following non-functional
14 elements:

- 15 • Classic suede boot styling made famous by the
 UGG® brand;
- 16 • Overlapping of front and rear panels on the
17 lateral side of the boot shaft;
- 18 • Curved top edges on the overlapping panels;
- 19 • Exposed fleece-type lining edging the
 overlapping panels and top of the boot shaft; and
- 20 • One or more buttons (depending on the height of
21 the boot) prominently featured on the lateral side of the boot
 shaft adjacent the overlapping panels.



1 [Complaint, ¶ 21]

2 Under Rule 8 of the Federal Rules of Civil Procedure, an attached picture in
 3 combination with pleadings regarding the shape, size, and placement of specific
 4 features of a trade dress sufficiently identifies the trade dress with particularity to
 5 warrant denial of a motion to dismiss the trade dress claim. [Axis Imex, Inc. v. Sunset
 6 Bay Rattan, Inc., 2009 U.S. Dist. LEXIS 2667, 8-9 (N.D. Cal. Jan. 7, 2009)] In fact,
 7 this district has denied Rule 12(b)(6) motions under similar circumstances to the one at
 8 hand. In Salt Optics, Inc. v. Jand, Inc., 2011 U.S. Dist. LEXIS 156237, 7-8 (C.D. Cal.
 9 Mar. 4, 2011), in alleging its trade dress, the plaintiff provided a list of elements
 10 alleged to comprise a website’s overall “look and feel,” images of the trade dress, and
 11 a juxtaposition of images of the plaintiff’s website and that of the defendant. [Id.] The
 12 court determined that this combination properly asserted a claim for trade dress
 13 infringement and declined to dismiss the trade dress claim on the basis of inadequate
 14 pleadings. [Id. at 7-8] Similar to Salt Optics, Deckers has, in addition to verbally
 15 listing the primary characteristics of the Bailey Button Boot Trade Dress, provided
 16 illustrations of footwear embodying said trade dress as well as images of Defendants’
 17 knock-off products. [Complaint, ¶¶15, 21]

18 The cases cited by Defendants in support of their motion, Landscape Forms, Inc.
 19 v. Columbia Cascade Co., 113 F.3d 373 (2d Cir. 1997) and Walker & Zanger, Inc. v.
 20 Paragon Indus., 549 F. Supp. 2d 1168 (N.D. Cal. 2007), are entirely distinguishable
 21 from the facts in this case. The court in Landscape Forms, in reviewing an appeal
 22 from the issuance of a preliminary injunction, found plaintiff’s pleading of its trade
 23 dress insufficient where the complaint merely alleged the trade dress as “distinctive
 24 elements which, when taken together, constitute a trade dress recognizable by
 25 architects, landscape architects and designers, as well as the public at large,” but failed
 26 to list these elements [Landscape Forms, 113 F.3d at 381] Similarly, in Walker &
 27 Zanger, the court determined that plaintiff’s description of its tile trade dress as “rustic
 28 look,” “weathered look,” “architectural character,” and “Old World,” was generic,

1 overbroad, and did not provide adequate notice to competitors in the decorative tile
2 business about plaintiff's rights. [Walker & Zanger, 549 F. Supp. 2d at 1176]

3 Unlike Landscape Forms (where plaintiff failed to set forth any elements of the
4 trade dress) and Walker & Zanger (where plaintiff only pled an overall look and feel),
5 Deckers specifically identifies in bullet points the non-functional elements of the trade
6 dress it seeks to protect. Deckers' description of the Bailey Button Boot Trade Dress
7 is specific as to the type of materials, specific features, and the placement of these
8 features. Such a detailed description combined with images more than adequately
9 places Defendants on notice of exactly "which aspects of its product design(s) merit
10 protection" thereby allowing this Court to "evaluate how unique and unexpected the
11 design elements are in the relevant market." [Landscape Forms, 113 F.3d at 381]

12 **B. Deckers Has Sufficiently Pled Non-Functionality**

13 Defendants primarily rely on case law from the Second Circuit in support of its
14 position that Deckers has failed to adequately allege non-functionality with respect to
15 its trade dress. The only case from the Ninth Circuit that Defendants references is one
16 from Washington involving a complaint that did not describe the design of the product
17 in any detail. [*See Glassybaby, LLC v. Provide Gifts, Inc.*, 2011 U.S. Dist. LEXIS
18 60306, 5 (W.D. Wash. June 6, 2011)] The court's decision to dismiss the trade dress
19 claim in Glassybaby is distinguishable from the current case, as Deckers has provided
20 specific aspects of the description of the Bailey Button Boot Trade Dress in the form of
21 both a detailed list of elements as well as images of products which embody the trade
22 dress. [Complaint, ¶ 21]

23 "A product feature is functional if it is essential to the product's use or if it
24 affects the cost and quality of the product." [Rachel v. Banana Republic, 831 F.2d
25 1503, 1506 (9th Cir.1987)] Functional features are the "actual benefit" that a
26 consumer wishes to purchase, as distinguished from an assurance that a particular
27 entity made, sponsored or endorsed a product. [Rachel, 831 F.2d at 1506] Purely
28 aesthetic features cannot be functional." [Brian Lichtenberg, LLC v. Alex & Chloe,

1 Inc., 2014 U.S. Dist. LEXIS 18607, 12-13 (C.D. Cal. Feb. 13, 2014) (citing Clicks
 2 Billiards, Inc., 251 F.3d at 1259)] However, in analyzing functionality, the focus is not
 3 on individual elements, but the “overall visual impression” and “composite tapestry of
 4 visual effects.” [Id.]

5 In Brian Lichtenberg, the defendants “argue[d] that competitors would be at a
 6 significant disadvantage if they could not use ‘pre-manufactured cotton t-shirts with
 7 stitching, black labels, and logos that are placed on the front, center of each t-shirt.’”
 8 [Brian Lichtenberg, 2014 U.S. Dist. LEXIS 18607 at 13] However, this Court, in
 9 finding that plaintiffs had sufficiently alleged nonfunctional trade dress in its
 10 complaint, noted that defendants had mischaracterized plaintiff’s description of the
 11 trade dress (much like Defendants have done in their Motion), and that the trade dress
 12 asserted in plaintiffs’ complaint *also* included reference to “specific colors, fonts,
 13 subject material, styles, and textures” and that such elements combined to create a
 14 “distinctive, unitary whole notable for its aesthetic properties.” [Id.]

15 As discussed above, Deckers has described with specificity the Bailey Button
 16 Boot Trade Dress by listing out various elements that comprise same. While these
 17 same elements may serve a function, the proper inquiry regarding functionality is to
 18 look to the overall visual impression of the elements taken in combination. Indeed,
 19 there are a number of boots in the marketplace that may serve the same functions as
 20 the Bailey Button boot but look entirely different. It is the distinctive look of the
 21 Bailey Button Boot Trade Dress that has made it so popular and widely recognized in
 22 the Deckers’ UGG® boot collection.

23 In any event, an analysis of the facts speaking to functionality and whether the
 24 trade dress is generic cannot be resolved at the motion to dismiss stage and
 25 Defendants’ attempt to resolve this issue at this state is inappropriate.¹ Granting
 26

27 ¹ Axis Imex, 2009 U.S. Dist. LEXIS 2667 at 8; Vision Sports, Inc. v. Melville Corp.,
 28 888 F.2d 609, 614 (9th Cir.1989) (citing Clamp Mfg. Co. v. Enco Mfg. Co., 870 F.2d

judicial notice of Defendants’ argumentative screenshots would lay grounds for a slippery slope for containing 12(b)(6) motions to the allegations of a complaint.² As demonstrated by Defendants’ lack of citation to *any* case law wherein a motion to dismiss was granted based upon genericness of a trade dress, this analysis is not appropriate at the pleadings stage.

C. Deckers Has Sufficiently Pled Secondary Meaning

When asserting federal trade dress protection, a plaintiff must show “acquired” or “secondary” meaning for the product design. [*Aurora World, Inc. v. TY Inc.*, 719 F. Supp. 2d 1115, 1150 (C.D. Cal. 2009) (citing *Global Manufacturing Group, LLC v. Gadget Universe.Com*, 417 F.Supp.2d 1161, 1164 (S.D. Cal. 2006))] Secondary meaning is a way of describing the distinctiveness of the appearance of the product. [*Aurora World*, 719 F. Supp. 2d at 1151] The “basic element” of this concept is “the

512, 514 (9th Cir.1989); *see also* *Yellow Cab. Co. v. Yellow Cab of Elk Grove, Inc.*, 419 F.3d 925, 928-29 (9th Cir. 2005) (“Whether a mark is generic is a question of fact”); *Clicks Billiards, Inc. v. Sixshooters Inc.*, 251 F.3d 1252, 1258 (9th Cir. 2001) (“Functionality is a question of fact”); *Mortion v. Rank Am., Inc.*, 812 F. Supp. 1062, 1069 (C.D. Cal. 1993) (holding that because functionality is a question of fact, it is not appropriate to dismiss a trade dress claim on a motion to dismiss); *Autodesk, Inc. v. Dassault Systemes Solidworks Corp.*, 2008 U.S. Dist. LEXIS 109800, 5 (N.D. Cal. Dec. 18, 2008) (“Genericness and functionality are questions of fact, making dismissal under Rule 12(b)(6) inappropriate); *GNI Waterman LLC v. A/M Valve Company LLC*, 2007 WL 2669503 (E.D. Cal. 2007) (where Court noted that “[t]he fact that functionality is a factual issue is persuasive to avoid F.R.Civ.P. 12(b)(6) dismissal” of trade dress infringement claim)

² *See* Deckers’ Objection to Defendants’ Request for Judicial Notice filed concurrently herewith. “[J]udicial notice is generally not the appropriate means to establish the legal principles governing the case.” [*Toth v. Grand Trunk R.R.*, 306 F.3d 335, 349 (6th Cir. 2002) cited by *Von Saher v. Norton Simon Museum of Arts at Pasadena*, 592 F. 3d 954 (9th Cir. 2010); *see also* *Pinterest Inc. v. Pintrips Inc.*, 15 F. Supp. 3d 992 (N.D. Cal. 2014) (where court denied defendants’ request for judicial notice of web images/screenshots offered solely for the purpose of showing that plaintiff’s mark was generic, noting that “this hotly contested question cannot be answered solely by reference to information gleaned from judicially noticeable documents”)]

1 mental association by a substantial segment of consumers and potential consumers” of
 2 the appearance of the product with its source. [Levi Strauss & Co. v. Blue Bell, Inc.,
 3 778 F.2d 1352, 1354 (9th Cir. 1985) (en banc)] Thus, secondary meaning attaches
 4 when customers associate the product design with its source as opposed to the product
 5 itself. [Aurora World, 719 F. Supp. at 1151; International Jensen, Inc. v. Metrosound
 6 U.S.A., Inc., 4 F.3d 819, 824 (9th Cir. 1993)]

7 Deckers is not required to produce every piece of evidence to support its
 8 allegations that its trade dress has acquired secondary meaning in order to survive a
 9 motion to dismiss. [Solid Host, NL v. Namecheap, Inc., 652 F.Supp.2d. 1092, 1108
 10 (C.D. Cal., 2009)] The existence of secondary meaning “may be ‘inferred from
 11 evidence relating to the nature and extent of the public exposure achieved by the
 12 designation,’ or from proof of intentional copying,” [see Ashlar, Inc. v. Structural
 13 Dynamics Research Corp., 1995 WL 639599, 5 (N.D. Cal. June 23, 1995) (quoting
 14 PaperCutter, Inc. v. Fay’s Drug Co., 900 F.2d 558, 564 (2d Cir.1990)] A specific
 15 allegation of the existence of secondary meaning is not required. [Solid Host, 652 F.
 16 Supp. 2d at 1108]

17 Deckers has made allegations that refer to the (1) nature and extent of exposure
 18 of the Bailey Button Boot Trade Dress, as well as (2) Defendants’ intent to copy
 19 Deckers’ design. With regards to the nature and extent of the Bailey Button boot’s
 20 exposure, Deckers has alleged the following:

21 The Bailey Button Boot Trade Dress is one of the most well-
 22 recognized and commercially successful styles of Deckers’
 23 UGG® brand of footwear, having been featured on Deckers’
 24 advertising and promotional materials as well as in various
 25 trade publications. Deckers’ Bailey Button boot receives
 much unsolicited media attention and various celebrities can
 be seen wearing UGG® boots with the Bailey Button Boot
 Trade Dress [Complaint, ¶ 23]

26 Deckers has spent substantial time, effort, and money in
 27 designing, developing, advertising, promoting, and marketing
 28 the UGG ® brand and its line of footwear embodying the
 Bailey Button Boot Trade Dress. Deckers’ efforts have been
 successful and Deckers has sold a substantial amount of

1 UGG® boots bearing the Bailey Button Boot Trade Dress.
[Complaint, ¶ 24]

2 Due to its long use, extensive sales, and significant
3 advertising and promotional activities, Deckers' UGG®
4 Trademark and Bailey Button Boot Trade Dress have
5 achieved widespread acceptance and recognition among the
6 consuming public and trade throughout the United States.
[Complaint, ¶ 25]

7 Furthermore, Defendants' Infringing Products are virtually identical to Bailey
8 Button Boot Trade Dress. [Complaint, ¶ 27] On that basis, Deckers has alleged that
9 "Defendants are competitors and have copied Deckers' boot designs in an effort to
10 exploit Deckers' reputation in the market" and "Defendants acts are willful, deliberate,
11 and intended to confuse the public..." [Complaint, ¶¶ 16, 46] As discussed above,
12 intent to copy is evidence of both secondary meaning and/or likelihood of confusion.
[See *Ashlar*, *supra*, 1995 WL 639599 at 5]

13 Deckers has more than satisfied its burden in pleading secondary meaning.
14 Defendants' arguments go towards the weight of the evidence and have little or
15 nothing to do with whether Deckers has satisfied its pleading requirements under
16 FRCP 8 or can survive a FRCP 12(b)(6) motion to dismiss. Whether Deckers' product
17 design is functional, generic, or has acquired secondary meaning and whether there is a
18 likelihood of confusion between the parties' respective goods are factual issues to be
19 developed further during discovery and determined at a later time upon a more fully
20 developed record.

21 **IV. DECKERS' DESIGN PATENT INFRINGEMENT CLAIMS ARE**
22 **ADEQUATELY PLED**

23 In order to sufficiently plead design patent infringement, a plaintiff need only (1)
24 allege ownership of the patent, (2) name each defendant, (3) cite the patent that is
25 allegedly infringed, (4) state the means by which the defendant allegedly infringes, and
26 (5) point to the section of the patent law invoked. [*Hall v. Bed Bath & Beyond, Inc.*,
27 705 F.3d 1357, 1362 (Fed. Cir. 2013) (*Phonometrics, Inc. v. Hospitality Franchise*
28 *Systems, Inc.*, 203 F.3d 790 (Fed. Cir. 2000)] If these elements are satisfied within a

complaint, then that is “enough detail to allow the defendants to answer” and “Rule 12(b)(6) requires no more.” [Phonometrics, Inc., 203 F. 3d at 794] Deckers has sufficiently pled design patent infringement to survive this Rule 12(b)(6) motion. Deckers has satisfied these element by alleging:

Deckers is the owner of numerous design patents to the various styles of footwear it offers under its UGG® brand. These design patents include but are not limited to the

“Bailey Button” boot (U.S. Patent No. D599,999 issued on September 15, 2009) [Complaint, ¶ 33]

Deckers is the owner by assignment of all right, title and interest in and to the ‘999 Patent. [Complaint, ¶ 34]

Defendants have knowingly and intentionally imported, used, caused to be produced, distributed, advertised, marketed, offered for sale, and/or sold footwear that is substantially similar to the ‘999 Patent in direct violation of 35 U.S.C. § 271. [Complaint, ¶ 35]

With these statements, Deckers alleges ownership of the patent, cites the patent that is infringed, states the means by which the defendants infringe upon the patent, and points to the section of patent law which is invoked. The defendants are also named in this action, therefore satisfying all of the elements required to sufficiently state a claim for design patent infringement. [Bed, Bath & Beyond, Inc., 705 F.3d at 1362]

A. The D599,999 Patent Cannot be Invalidated on a Motion to Dismiss

Defendants’ long-winded argument regarding invalidity of the D599,999 Patent due to functionality cannot be considered on a Motion to Dismiss at all. In fact, Deckers is not required to make allegations that its design patent is non-functional because a design patent, by virtue of its registration, protects the non-functional aspects of a useful article. [Lee v. Dayton-Hudson Corp., 838 F.2d 1186, 1188-89 (Fed. Cir. 1988); see also 35 U.S.C. §§ 171] The design patent carries a presumption that it is valid. [35 U.S.C. § 282]

Invalidity is an *affirmative defense* to a claim of infringement of a design patent, and must be proven at trial by clear and convincing evidence *by the Defendants* - not Deckers. [Apple Inc. v. Samsung Elecs. Co., 2011 U.S. Dist. LEXIS 139049, 24-

29 (N.D. Cal. Dec. 2, 2011) (citing L.A. Gear Inc. v. Thom McAn Shoe Co., 988 F.2d 1117, 1123); B-K Lighting, Inc. v. Vision3 Lighting, 930 F. Supp. 2d 1102, 1116 (C.D. Cal. 2013) (citing University of Rochester v. G.D. Searle & Co., 358 F.3d 916, 920 (Fed. Cir. 2004) (a party seeking to invalidate a patent “must submit... clear and convincing evidence of invalidity”)]

The test for functionality to invalidate a design patent is a “stringent” one that requires a showing that “the appearance of the claimed design is dictated by the use or purpose of the article.” [Rosco, Inc. v. Mirror Lite Co., 304 F.3d 1373, 1378 (Fed. Cir. 2002) (internal quotations omitted)] Defendants’ analysis regarding functionality lacks foundation - statements regarding functionality are all inadmissible opinions made by counsel that should be disregarded by this Court all together. Because invalidity is an affirmative defense on which the Defendants bear the burden of proof, this Court cannot as a matter of law grant Defendants’ Motion to Dismiss on these grounds.

B. Deckers Has Sufficiently Pled Willful Patent Infringement

A Rule 12(b)(6) motion “is not an appropriate device to eliminate a portion of a claim.” [Hernandez v. Path, Inc., 2012 U.S. Dist. LEXIS 151035, 17-18 (N.D. Cal. Oct. 17, 2012) (citing SocialApps, LLC v. Zynga, Inc., 2012 U.S. Dist. LEXIS 14124 (N.D. Cal. Feb. 6, 2012) (“motion under Rule 12(b)(6) may not be used to challenge only certain allegations within a claim”)] Rather, such a challenge must be made by a motion to strike under Rule 12(f). Willful infringement is not a claim in and of itself, but it is grounds for enhanced damages under 35 U.S.C. § 284. [Amini Innovation Corp. v. McFerran Home Furnishings, Inc., 301 F.R.D. 487, 490 (C.D. Cal. 2014) (“Upon a finding of infringement, section 284 of the Patent Act requires the court to award damages adequate to compensate for the infringement. Section 284 further gives the court discretion to increase the damages up to three times the amount found or assessed.” (internal quotations and citations omitted))] Thus, to the extent Defendants are attempting to strike allegations regarding willfulness from the Complaint,

1 Defendants must do so via Rule 12(f) and specify the allegations which it moves to
2 strike. [Fed.R.Civ.P. 12(f)]

3 Granting of Defendants' motion at this early stage would be improper where the
4 determination of willfulness necessarily involves questions of intent and the weighing
5 of credibility of witnesses. [F.O.B. Instruments, Ltd. v. Krown Mfg., 2007 U.S. Dist.
6 LEXIS 102325, 17 (D. Md. Aug. 29, 2007) citing Liquid Dynamics Corp. v. Vaughan
7 Company, Inc., 449 F.3d 1209, 1225 (Fed. Cir. 2006) (willfulness is an "intent-
8 implicating question")]. Thus, Courts are often hesitant to make a willfulness finding
9 on pleadings/papers alone. [F.O.B. Instruments, Ltd., *supra*; *see also* Ellison Educ.
10 Equip., Inc. v. Chen, 2004 U.S. Dist. LEXIS 26947, 39-41 (C.D. Cal. Dec. 21, 2004)
11 (where plaintiff's summary judgment on the issue of willful infringement was denied);
12 Koon Chun Hing Kee Soy & Sauce Factory v. Star Mark Mgmt., 2007 US. Dist.
13 LEXIS 1404, 46 (E.D.N.Y. Jan. 8, 2007) ("summary judgment is inappropriate where,
14 as here, the Court may not make credibility judgments...")]

15 "To sufficiently plead a claim for willful infringement, a patentee must make out
16 the ***barest*** factual assertion of knowledge of an issued patent." [Robert Bosch
17 Healthcare Sys., Inc. v. Express MD Solutions, LLC, 2012 WL 2803617, *3 (N.D. Cal.
18 July 10, 2012) (emphasis); Avocet Sports Tech., Inc. v. Garmin Int'l, Inc., Case No.
19 2012 WL 1030031, *4 (N.D. Cal. Mar. 22, 2012)] California federal courts have
20 required plaintiffs to plead pre-suit knowledge in order to adequately plead willful
21 infringement. [Unilin Beheer B.V. v. Tropical Flooring, 2014 U.S. Dist. LEXIS 85955,
22 17-18 (C.D. Cal. June 13, 2014)] However, a pleading for willful infringement need
23 only amount to "with a knowledge of the patent and of his infringement." [Jardin v.
24 Datallegro, Inc., 2009 U.S. Dist. LEXIS 3339, 19 (S.D. Cal. Jan. 18, 2009) (where
25 plaintiff alleged that defendants had "actual or constructive knowledge of the '874
26 Patent, yet continue to infringe this patent to this very day," and such was sufficient to
27 allege that defendants had knowledge of the patent and of their infringement).]
28

In the present case, Deckers' allegations surpass the "barest factual assertions" requirement. Deckers has identified the accused products and alleged that "Defendants had pre-suit knowledge of Deckers' rights to the '999 Patent." [Complaint, ¶¶ 15, 40] Deckers also states that this pre-suit knowledge was due to the widespread popularity and recognition of the Bailey Button boot and the patent notice on the products themselves [Complaint, ¶ 40]. The Complaint contains allegations that Defendants are competitors who have "copied Deckers' boot designs," and these acts were done "in an effort to exploit Deckers' reputation in the market," "in bad faith," "knowingly and intentionally," and "in total disregard of Deckers' right to control its intellectual property." [Complaint, ¶¶ 16, 19, 35, 36] Deckers has not only specifically pled Defendants' "pre-suit knowledge" of the '999 Patent, but has also pled facts giving rise to same, that Defendants' acts were done in bad faith and that such actions will persist and continue to damage Deckers³. This is precisely the type of exploitative conduct that gives rise to willfulness.

V. DECKERS' CALIFORNIA STATE CLAIMS ARE ADEQUATELY PLED

A. Deckers Has Sufficiently Pled Its Lanham Act Claim and Therefore Sufficiently Pled Its State Law Claims

Deckers has pled Unfair Competition in violation of California Business and Professions Code § 17200 as well as a claim for Unfair Competition under California common law. The Ninth Circuit "has consistently held that state common law claims of unfair competition and actions pursuant to California Business and Professions Code § 17200 are substantially congruent to claims made under the Lanham Act." [Ingrid & Isabel, LLC v. Baby Be Mine, LLC, 2014 U.S. Dist. LEXIS 140553, 23 (N.D. Cal. Oct 1, 2014) (citing Cleary v. News Corp., 30 F.3d 1255, 1262-63 (9th

³ Contrast to Deckers Outdoor Corp. v. J.C. Penney Co., 2014 U.S. Dist. 126299 (C.D. Cal. Sept. 28, 2014), where Deckers did not specifically plead pre-suit knowledge of patent in the complaint that was on review before the Court.

Cir.1994))] Because Deckers has adequately pled its claims for trade dress and patent infringement, it has also adequately pled its Fourth and Fifth claims for Unfair Competition under California and Common Law.

B. Deckers Has Standing for Its Claim of Violation of California Business and Professions Code § 17200

In order to establish standing for an Unfair Competition claim under § 17200, a plaintiff must demonstrate that they “suffered injury in fact and [] lost money or property as a result of the unfair competition.” [Cal. Bus. & Prof. Code § 17204; Kwikset Corp. v. Superior Court, 51 Cal. 4th 310 (2011)] The Kwikset court provides that “[t]here are innumerable ways in which economic injury from unfair competition may be shown,” including if the plaintiff “[is] deprived of money or property to which he or she has a cognizable claim.” [*Id.*; see also In re Sony Gaming Networks & Customer Data Sec. Breach Litig., 996 F. Supp. 2d 942, 987 (S.D. Cal. 2014)]

Deckers has alleged injury in fact in the form of lost money or property as a result of Defendants’ activities. Deckers states that it has suffered loss of the right to control its intellectual property [Complaint, ¶¶ 28, 53], injury to its business and reputation [*Id.*, ¶¶ 37, 52], and misappropriation of its goodwill [*Id.*, ¶ 52] The Complaint also alleges that “[a]s a direct and proximate result of Defendants’ unlawful infringement, Deckers has suffered damages and will continue to suffer damages in an amount that is not presently ascertainable but will be proven at trial” and that Deckers is entitled to recovery of its damages as a result of their acts. [*Id.*, ¶¶ 54, 52] These statements are in compliance with Kwikset and § 17200 in pleading injury in fact and therefore establishing standing. [See Airwair Int’l LTD v. Vans, Inc., 2013 U.S. Dist. LEXIS 100120, 28 (N.D. Cal. July 17, 2013) (Plaintiff alleged damages in the form of lost goodwill, loss of sales, defendant’s profits attributable to infringement, and irreparable harm. Court determined, that because plaintiff successfully pled its Lanham Act claims, the allegations of lost sales and unjust enrichment were plausible

1 and denied the motion to dismiss as to plaintiff's § 17200 claim.)] Thus, Defendants'
2 arguments regarding standing fail.

3 **C. Deckers' California State and Common Law Unfair Competition**
4 **Claims are not Preempted by its Federal Claims**

5 Defendants' argument that Deckers' California unfair competition claims are
6 preempted is based entirely on case law regarding preemption of claims under the UCL
7 by the Patent Act, with no discussions regarding preemption of the common law unfair
8 competition claim (Fifth Claim for Relief) or common law trade dress infringement
9 claim (Third Claim for Relief), and thus the latter claims are not subject to dismissal.
10 [See Defendants' Memorandum in Support of Motion to Dismiss, pp. 21, lines 6-13
11 and 23, lines 10-25]

12 Contrary to Defendant's assertions, the Patent Act does not automatically
13 preempt any and all unfair competition claims. As the Ninth Circuit explained in
14 Summit Mach. Tool Mfg. Corp. v. Victor CNC Sys., Inc., 7 F.3d 1434 (9th Cir. 1993):

15 "Preemption analysis involves determining whether the state
16 law claim contains an element not shared by the federal law; *an*
17 *element which changes the nature of the action 'so that it is*
18 *qualitatively different from a copyright (or patent)*
19 *infringement claim.'* * * * * 'Thus, preemption law ... requires
20 analysis of each theory (of unfair competition) to determine
whether it contains the necessary qualitatively different extra
element distinguishing it from copyright (or patent)
protection.'" [Summit Mach. Tool Mfg. Corp., 7 F.3d at 1439-
40 (internal citations omitted) (emphasis)]

21 California's UCL prohibits businesses from engaging in "any unlawful, unfair or
22 fraudulent business act or practice and unfair, deceptive, untrue or misleading
23 advertising." [Cal. Bus. Prof. Code § 17200] Unlike the Patent Act, the UCL 'governs
24 "anti-competitive business practices" as well as injuries to consumers, and has as a
25 major purpose "the preservation of fair business competition." [Id.; Boschma v. Home
26 Loan Center, Inc., 198 Cal. App. 4th 230, 252 (Cal. App. 4th Dist. 2011)]
27 Accordingly, "an act can be alleged to violate any or all of the three prongs of the
28

UCL—unlawful, unfair, or fraudulent.” [Berryman v. Merit Prop. Mgmt., Inc., 152 Cal. App. 4th 1544, 1554 (2007)]

Defendants urge this Court to apply the ruling from Deckers Outdoor Corp. v. J.C. Penney Co., 2014 U.S. Dist. LEXIS 126299 (C.D. Cal. Sept. 8, 2014). However, the Court, in issuing its ruling, did not address the impact of Deckers’ additional allegations regarding Defendants’ attempts to pass off its goods as those originating/associated with Deckers and deliberate attempts to deceive consumers in its analysis.

Here, Deckers has alleged, *in addition to* infringement of its design patent allegations regarding Defendants’ unfair business practices and intent to deceive consumers:

- “Defendants are competitors and have copied Deckers’ boot designs in an effort to exploit Deckers’ reputation in the market.” [Complaint, ¶ 16, see also ¶ 58]
- “Defendants have acted in bad faith and that Defendants’ acts have misled and confused and were intended to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendants’ Infringing Products with Deckers, or as to the origin, sponsorship, or approval of Defendants’ Infringing Products by Deckers.” [Complaint, ¶ 19; see also ¶ 51]
- “Defendants had pre-suit knowledge of Deckers’ rights to the ‘999 Patent and has intentionally copied said design on their own brand of products in an effort to pass them off as if they originated, are associated with, are affiliated with, are sponsored by, are authorized by, and/or are approved by Deckers.” [Complaint, ¶ 40]
- “The deceptive, unfair and fraudulent practices set forth herein have been undertaken with knowledge by Defendants willfully with the intention of causing harm to Deckers and for the calculated purpose of misappropriating Deckers’ goodwill and business reputation.” [Complaint, ¶ 52]

Thus, not only have Defendants infringed upon Deckers’ rights to the ‘999 Patent, Deckers has alleged that Defendants have infringed upon Deckers’ patent and trade dress intentionally in an *attempt to deceive the public* into mistakenly believing that the products are sponsored by, affiliated with, and/or associated with Deckers.

[See Watson Laboratories, Inc. v. Rhone—Poulenc Rorer, Inc., 178 F. Supp. 2d 1099, 1121 (C.D. Cal. 2001) (The “fraudulent” prong under the UCL requires a plaintiff to “show deception to some members of the public, or harm to the public interest.”)]

Furthermore, Defendants’ copied the Bailey Button design on its own brand of products in an effort to “*pass them off*” as if they originated, are associated with, are affiliated with, are sponsored by, are authorized by, and/or are approved by Deckers.” Unfair competition under California common law is thought to be “narrower” than similar claims under § 17200, and “is generally thought to be synonymous with the act of ‘passing off’ one’s goods as those of another.” [Bank of the West v. Superior Court, 2 Cal. 4th 1254, 1263 (1992); Aurora World, 719 F. Supp. 2d at 1165 n. 108] As such, alleging common law unfair competition amounts to an allegation of “passing off” a product as that of a competitor, which distinguishes the claim from Deckers’ patent infringement claim.

Finally, where Deckers has adequately pled trade dress infringement, which additionally serve as a basis for the unfair competition claims, said claims cannot be preempted by the Patent Act, which has no application to trademark/trade dress rights. [AddVenture Prods. v. Simply Smashing, Inc., 2007 U.S. Dist. LEXIS 69607, 7 (S.D. Cal. Sept. 20, 2007) (motion to dismiss causes of action for unfair competition under Cal. Bus. & Prof. Code § 17200 and state common law denied where plaintiff had sufficiently pled trade dress infringement and false advertising)⁴]

⁴ The Lanham Act serves the goal of national uniformity by providing a nationwide floor, assuring the public and trademark owners at least a minimum level of protection. The Ninth Circuit has held that California state trademark infringement is not preempted by the Lanham Act because it affords *more* protection to trademark owners than afforded under federal trademark law. [Golden Door, Inc. v. Odisho, 646 F.2d 347, 352 (9th Cir. 1980) (holding that the Lanham Act did not preempt state law where the two did not conflict)] Indeed, courts in the Ninth Circuit have relied on the Golden Door in denying motions to dismiss based upon Defendants’ preemption theory. [See e.g. Craigslist, Inc. v. Autoposterpro, Inc., 2009 U.S. Dist. LEXIS 31587, 7-8 (N.D. Cal. Mar. 27, 2009) (“[t]he motion to dismiss provides no valid authority or grounds

Courts have held that alleging bad faith may also avoid preemption. [Dimension One Spas, Inc. v. Coverplay, Inc., 2008 WL 4165034, *17 (S.D. Cal., 2008) citing to Globetrotter Software, Inc. v. Elan Computer Group, Inc., 362 F.3d 1367, 1374 (Fed. Cir., 2004); see also BriteSmile, Inc. v. Discus Dental, Inc., 2005 WL 3096275, *4 (N.D. Cal., 2005) (motion to dismiss unfair competition claim based upon federal preemption denied); Zenith Electronics Corp. v. Exzec, Inc., 182 F.3d 1340, 1355 (Fed. Cir., 1999) (“to avoid patent law preemption of ... state law claims, bad faith must be alleged and ultimately proven, even if bad faith is not otherwise an element of the tort claim.”)] Deckers has alleged that “Defendants’ infringing acts were *intended* to capitalize on Deckers’ goodwill associate therewith for Defendants own pecuniary gain.” [Complaint, ¶ 59] Deckers has also alleged that “Defendants’ acts are *willful, deliberate, and intended* to confuse the public and to injure Deckers.” [Complaint, ¶ 60]

Since Deckers’ unfair competition claims are based upon claims of injury protected by California’s UCL and common law that are not protected by the patent act and are not based solely on patent infringement, said claims are not preempted.

VI. DECKERS’ CLAIMS AGAINST DEFENDANT CAROL LEE ARE ADEQUATELY PLED

A. Individual Liability for Deckers’ Trade Dress Claims

In the context of infringement, corporate officers “are personally liable for the corporation’s copyright and trademark infringements when they are a ‘moving, active conscious force behind the corporation’s infringement.’” [Carson v. Verismart

for preemptions of Plaintiff’s state law claims under the Lanham Act.”); T Shirts Plus v. T-Shirts Plus, Inc., 1983 U.S. Dist. LEXIS 13717, 10 (C.D. Cal. Sept. 15, 1983) (motion to dismiss denied holding that “[b]y extending to federal registrants greater protection than is available under the Lanham Act, California law, like the Act, protects both the public from confusion about the services and products it is receiving and the public relations investment of plaintiff.”)]

1 Software, 2012 U.S. Dist. LEXIS 42116, 11-12 (N.D. Cal. Mar. 27, 2012) (citing
 2 Adobe Systems Inc. v. Childers, 2011 U.S. Dist. LEXIS 14534, 7 (N.D. Cal. Feb. 14,
 3 2011); Novel, Inc. v. Unicom Sales, Inc., 2004 U.S. Dist. LEXIS 16861 (N.D. Cal.
 4 Aug.17, 2004)); Novell, Inc. v. Unicom Sales, Inc., 2004 WL 1839117, 17 (N.D. Cal.,
 5 2004); Chanel, Inc. v. Italian Activewear of Florida, Inc., 931 F.2d 1472, 1477-78
 6 (11th Cir., 1991) (individual may be held liable for Lanham Act violations if she has
 7 “actively caused infringement as a moving, conscious force”); Chloe v.
 8 DesignersImports.com USA, Inc., 2009 WL 1227927, at 11 (S.D.N.Y. Apr. 30, 2009
 9 (“[T]he individual liability of a corporate officer for [her] participation in unlawful
 10 conduct is distinct from any issues of piercing the corporate veil.” (internal quotation
 11 marks and citation omitted)).] This is true “regardless as to whether they are aware
 12 that their acts will result in infringement.” [Carson, 2012 U.S. Dist. LEXIS 42120 at
 13 14; Adobe Systems Inc., 2011 U.S. Dist. LEXIS 14534 at 7; Novell, 2004 U.S. Dist.
 14 LEXIS 16861 at 17]

15 Further, “[i]t does not follow that the corporate form automatically immunizes
 16 corporate officers from personal liability for conduct undertaken on the corporation’s
 17 behalf.” [OTR Wheel Eng’g, Inc. v West Worldwid Servs., 2014 U.S. Dist. LEXIS
 18 106004, 9 (E.D. Wash. Aug. 1, 2014) (citing Mone v. Dranow, 945 F.2d 306, 308 (9th
 19 Cir. 1991) (“[F]ederal common law hold[s] that corporate officers are personally liable
 20 for their torts even if the torts were committed on behalf of the corporation.”);
 21 Restatement (Third) of Agency § 7.01 cmt. D (“[A]n organizational officer is subject
 22 to liability when the officer directly participates in conduct that constitutes a tort] An
 23 individual defendant’s liability is dependent on his or her own knowledge and controls
 24 over the company’s infringement, “regardless of whether her actions or omissions
 25 were taken in an official or personal capacity.” [OTR Wheel Eng’g, 2014 U.S. Dist.
 26 LEXIS 16861 at 10 (citing Coach, Inc. v. Sapatis, 27 F. Supp. 3d 239 (D.N.H. 2014))]

27 With respect to Carol Lee, Deckers has alleged that she is an “*owner, officer,*
 28 *director, and/or managing agent*” of Fortune Dynamic, Inc. and is the “*active,*

1 *moving, conscious force behind the infringing activities alleged.*” [Complaint, ¶¶ 6,
 2 14] These allegations are sufficient to state a cause of action against Defendant Lee.
 3 Courts have routinely denied motions to dismiss where similar allegations, without
 4 more, were pled. [See e.g. Riverdeep Interactive Learning, Ltd. v. MPS Multimedia,
 5 Inc., 2006 U.S. Dist. LEXIS 94524 (N.D. Cal. Dec. 22, 2006); Best of Everything of
 6 Sw. Florida, Inc. v. Simply the Best, LLC, 2011 WL 4634147 (M.D. Fla. Oct. 6,
 7 2011); JTH Tax, Inc. v. Gouneh, 721 F.Supp.2d 132, 140 (N.D.N.Y., 2010)]

8 In Riverdeep, the court denied defendants’ motion to dismiss claims of
 9 trademark infringement for failure to state a claim against an individual defendant
 10 where both the corporation and individual were named. [2006 U.S. Dist. LEXIS 94524
 11 at 14] Though the plaintiffs’ allegations concerning individual liability of the
 12 corporation’s officer were confined to a single paragraph: “*Chen, as MPS’ President*
 13 *and CEO, directs, controls and ratifies the actions of MPS including the unlicensed*
 14 *and unauthorized replication and distribution of Riverdeep software,*” the Court
 15 nonetheless denied Defendants’ motion to dismiss and held that the plaintiffs had
 16 alleged sufficient facts to state a claim against said officer. (Id. at 14; citing to Novell,
 17 supra, 2004 WL 1839117)

18 Similarly, in Best of Everything, the court denied an analogous motion to
 19 dismiss for failure to state a claim against an individual where a corporation and
 20 individual were both charged with trademark infringement. [Best of Everything of
 21 Southwest Fla., Inc. v. Simply the Best, LLC, 2011 U.S. Dist. LEXIS 115652 (M.D.
 22 Fla. Oct. 6, 2011)] The plaintiff alleged that a relationship existed between the
 23 individual defendant and the corporation, and the Court held that “[t]he precise nature
 24 of Weinzimmer’s relationship with Simply the Best is a discoverable fact, and should
 25 the discovery process reveal that Weinzimmer was not a moving, conscious force
 26 behind the alleged infringement, Defendants may raise the issue in a motion for
 27 summary judgment.” [Id. at 6]

Deckers has alleged sufficient facts to state a claim against the Defendant Lee for its Lanham Act claims. Defendants have not provided any authority or legal argument in its brief to support dismissal of said claims against the individual defendant.

B. Individual Liability for Deckers' Unfair Competition Claims

“[A]n owner or officer of a corporation may be individually liable under the UCL if he or she actively and directly participates in the unfair business practice.” [O'Connor v. Uber Techs., Inc., 2013 U.S. Dist. LEXIS 171813, 61-62 (N.D. Cal. Dec. 5, 2013) (internal quotations omitted)] Additionally, “trademark infringement is a classic case of unfair competition under California law.” [Hewlett-Packard Co. v. Repeat-O-Type Stencil Mfg. Corp., 1995 U.S. Dist. LEXIS 22676, 21-22 (N.D. Cal. Aug. 30, 1995)] Again, Deckers has alleged that Defendant Lee is an “owner, officer, director, and/or managing agent” of Fortune Dynamic, Inc. and is the “active, moving, conscious force behind the infringing activities alleged.” [Complaint, ¶¶ 6, 14]

Because Deckers has properly alleged infringement of the Bailey Button Trade Dress and Defendant Lee's involvement in same, it has also sufficiently pled its claims for Unfair Competition against her. Defendants have not put forth any legal authority or arguments to support dismissal of these claims against Defendant Lee.

C. Individual Liability for Deckers' Patent Infringement Claim

“Corporate officers are also liable for the tort of patent infringement under 35 U.S.C. § 271 where the officer has an ‘active directing hand in full charge of its operations.’” [Wordtech Sys. v. Integrated Network Solutions, Corp., 2009 U.S. Dist. LEXIS 93192, 4 (E.D. Cal. Oct. 6, 2009) (where the court, on application for default judgment, held that corporate officer was personally liable where plaintiff had alleged that said individual was an officer and owner of defendant corporation and was individually involved in the infringement of the patents-in-suit) citing to Int'l Mfg. Co. v. Landon, Inc., 336 F.2d 723, 728 (9th Cir.1964) (patent infringement case)]

35 U.S.C. § 271(b) provides that “[w]hoever actively induces infringement of a patent shall be liable as an infringer.” [35 U.S.C. §271(b)] Under this section, corporate officers who actively assist with their corporation’s infringement may be personally liable for inducing infringement *regardless* of whether the circumstances are such that a court should disregard the corporate entity and pierce the corporate veil. [OTR Wheel Eng’g, Inc., 2014 U.S. Dist. LEXIS 106004 at 11; Wordtech Systems, Inc. v. Integrated Network Solutions, Inc., 609 F.3d 1308, 1315-17 (Fed. Cir. 2010); International Manufacturing Co. v. Landon, Inc., 336 F.2d 723, 728–29, 142 U.S.P.Q. 421, 425–26 (9th Cir.1964) (officer or “alter ego” was “moving, active conscious force behind [corporation’s] infringement” and “is therefore subject to personal liability without regard to whether [the corporation] is his alter ego”)]

Indeed, courts have denied motions to dismiss where the exact, or very similar, allegations were pled. [See e.g. E Clampus Vitus v. Steiner, 2013 WL 4431992, 6 (E.D. Cal. 2013) (motion to dismiss denied where the plaintiff alleged sufficient facts that demonstrate that the individual defendants acted “*knowingly, intentionally and deliberately*” on behalf of the corporate Defendant.); American Technical Machinery Corp. v. Masterpiece Enterprises, Inc., 235 F.Supp. 917, 918 (D.C.Pa. 1964) (motion to dismiss denied where complaint contained allegations that individual defendant was “moving, active, conscious force behind infringement” of patent)]

Deckers’ has alleged that Defendant Lee is an “owner, officer, director, and/or managing agent” of Fortune Dynamic, Inc. and is the “active, moving, conscious force behind the infringing activities alleged” in the Complaint. [Complaint, ¶¶ 6, 14] Deckers further alleges that Defendant Lee had “pre-suit knowledge of Deckers’ rights to the ‘999 Patent,” “intended to cause confusion, or to cause mistake, or to deceive” consumers, and that her actions were “undertaken with knowledge,” “were willful, deliberate, and intended to confuse the public and to injure Deckers.” [Complaint, ¶¶ 19, 40, 45, 52] Such allegations, which are to be taken as true in the evaluation of the present motion, are sufficient to maintain causes of action against Defendant Lee.

**VII. DECKERS IS ENTITLED TO LEAVE TO AMEND IN THE EVENT
THIS COURT GRANTS DEFENDANTS' MOTION**

If this Court gives any credence to Defendants' arguments, Deckers should be granted leave to amend. FRCP 15(a) expressly provides that leave to amend "shall be freely given when justice so requires." [FRCP 15(a); Allen v. City of Beverly Hills, 911 F. 2d 367, 373 (9th Cir. 1990)] FRCP 15(a) severely restricts the court's discretion to dismiss without leave to amend. Where a more carefully drafted complaint might state a claim, a plaintiff must be given at least one more chance to amend the complaint before the district court dismisses the action with prejudice. [Silva v. Bieluch, 351 F. 3d 1045, 1048 (11th Cir. 2003); Doe v. U.S., 58 F.3d 494, 497 (9th Cir. 1995); Cazares v. Household Finance Corp., 2005 WL 6418178 (C.D. Cal.,2005)]

VIII. CONCLUSION

For the reasons given above, Deckers respectfully requests that this Court DENY DEFENDANTS' FRCP 12(b)(6)- motion in its entirety. Alternatively, Deckers should be granted leave to amend its pleadings.

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